

PRESS RELEASE

CHARITY SHOPS ALARMED AT GROWTH IN COMMERCIAL COLLECTIONS

Commercial operators are undermining the supply of stock to charity shops at a time of great need for charity shops to deliver funds for vital causes.

The international price for second hand textiles is at an all time high, and demand is great. This has led to an increasing number of commercial companies collecting directly house to house. This is frequently done in partnership with a charity which receives a donation in the form of a royalty payment. Whilst this is a legitimate method of fundraising, the Association of Charity Shops is particularly concerned that this is diverting tonnes of clothing and other goods from charity shops, and is not the most effective use of unwanted goods for fundraising purposes.

These collections also do not make clear the relative benefits to both the charity and the commercial company. This lack of transparency misleads the public and undermines public trust and confidence in charity collections.

Lekha Klouda, Director of the Association, said:

“Typically, a merchant will collect house to house, using collection sacks and/or leaflets bearing a charity’s name and branding, for which the charity receives a royalty payment, usually a fixed sum by weight. This can be as little as 3% of the price the merchant can get for sorted clothing on international markets. That’s not a good return by any measure. Commercial partners can realise a profit of up to 68% – and this is not made clear on the collection materials used.

“Independent research for the Association last year demonstrated that the public can lose its trust in charity collections when these involve commercial companies, and this is of grave concern to charity shops that rely on the public’s support”.

Many charity shops have seen a marked falling-off in donations both as a direct result of such commercial collections and the recession.

Ms Klouda added:

“Unwanted goods – clothing, books, DVDs, bric a brac and so on - sold through a charity shop will raise 10 or twenty times as much for charity as a charity would get from a commercial partnership. That’s a huge difference”.

The Association’s *Code of Charity Retailing* requires members to make clear to donors exactly where their donations are going, and to what purpose, going far beyond any legal requirements and giving donors maximum information.

Association Chair, Sue Azzopardi, said:

“Charities are not benefiting fully from commercial collections, in which they should be at least equal partners.

“Transparency is crucial for us to retain the public’s confidence that we are doing all we can for charity.

“Partnership collections only raise a fraction of the amount a charity shop can get, and we urge the public to make sure their kind donations of goods go to charity shops rather than anywhere else. The Association’s strapline is *“Making the most of your donations”*, and that’s what charity shops do”.

ENDS

Notes to Editors

1. The Association of Charity Shops represents 300 charities which, together, operate 6,800 shops in the UK
2. In 2008, they raised about £120m for vital charitable causes
3. 88% of sales in charity shops are of donated goods
4. Members of the public who want the whole of their donation to benefit charity should take care to read all collection material to make sure the donation will go directly to a charity
5. Current evidence suggests that charities in partnerships with commercial merchants may receive between £50 and £100 per tonne. Sales of that same tonne of textiles in a charity shop, in-store and for recycling will raise £2,500-£4,000, bringing in on average a net profit of £500-800, 5-16 times as much as a commercial collection
6. Recent independent consumer research carried out for the Association suggests that consumers want their donations to benefit charities only, and not to benefit, even in part, commercial collectors
7. Most Association members carrying out house to house collections will display the *Code of Charity Retailing* logo on collection materials (below).

Contact:

David Moir, Head of Policy & Public Affairs: 020 7255 4483, david@charityshops.org.uk

Code of Charity Retailing

